



# Economic Report

## Financial Forecast & Snapshot

OFFICE OF THE CITY CONTROLLER

Alan Butkovitz

### Snapshot Highlights

Tax revenues (City & PICA) for April totaled more than \$490 million, a five percent decrease over the same month last year. A breakdown of the total revenues included \$449 million into the General Fund and \$41 million as the PICA portion.

Wage/Earnings/NPT (City & PICA) collections for the month totaled \$181 million, a seven percent increase over the same month last year. Total FY14 revenues for this tax category totaled more than \$1.4 billion, which is a four percent increase over the same period last year.

Monthly sales tax collections in April totaled \$19.2 million, a less than one percent decrease compared to last April. Yearly collections have totaled \$217.5 million, or three percent more over last year's collections.

Yearly real estate tax collections into the General Fund have totaled almost \$519 million, a two percent, or almost \$11 million decrease from what was collected during the same period in FY2013.

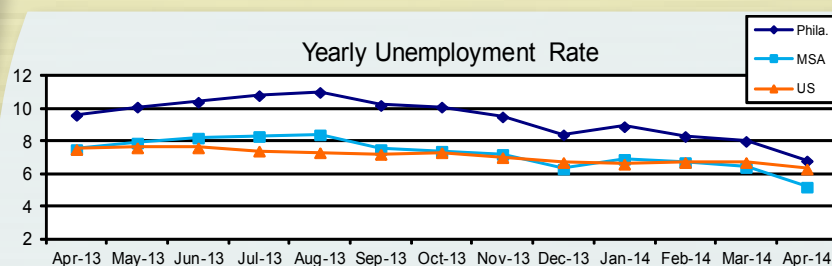
Along with reviewing revenue collections, the Controller's monthly economic report reviewed Philadelphia's local and Metropolitan Statistical Area (MSA) non-seasonally adjusted unemployment rates. The City of Philadelphia's current rate of 6.8% marks the lowest rate since April 2008.

When comparing Philadelphia's MSA rate of 5.2%, which excludes portions of New Jersey, Delaware and Maryland, to the top 10 largest U.S. Cities' labor markets, Philadelphia has the fourth lowest among the largest cities. Its rate is lower than New York, Chicago and Los Angeles.

### MONTHLY FEATURE:

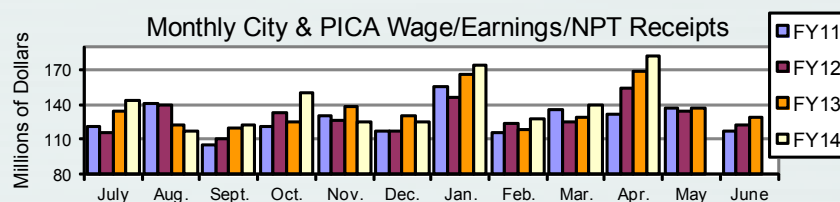
Philadelphia MSA unemployment rate of 5.2% is lower than many major U.S. cities PAGE 3

April  
2014

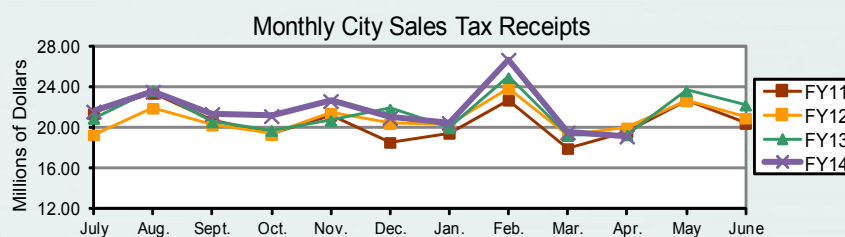


|        | Apr-14 | Mar-14 | Change | Apr-13 |
|--------|--------|--------|--------|--------|
| City - | 6.8%   | 8.1%   | -0.0%  | 9.5%   |
| MSA -  | 5.2%   | 6.4%   | -0.0%  | 7.4%   |
| US -   | 6.3%   | 6.7%   | -6.0%  | 7.5%   |

*unemployment rates are non-seasonally adjusted*



|                      | FY2014    | FY2013    | Change |
|----------------------|-----------|-----------|--------|
| (in millions)        |           |           |        |
| Wage/NPT/Earnings -  | \$1,406.5 | \$1,353.7 | 3.9%   |
| (City & PICA Yearly) |           |           |        |



|                  | FY2014   | FY2013   | Change |
|------------------|----------|----------|--------|
| (in millions)    |          |          |        |
| Sales (Yearly) - | \$217.54 | \$211.23 | 3.0%   |

*According to PICA, collections for a single month can be a misleading indicator due to monthly variability in collections*

### Key Indicators



7% = increase in  
monthly Wage/NPT/  
Earnings revenues  
over last April



3% = increase in  
yearly sales tax rev-  
enues over last year



6.8% = non-seasonally  
unemployment rate for  
City. Down from 8.1% last  
month



8.4% = decrease in  
monthly homes sales  
over same month last  
year



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### Current Jobs Data & Forecasted Conditions

April  
2014



#### Business Outlook Survey

According to the Federal Reserve's latest Business Outlook survey, future growth indicators for activity are positive for the next six months.

The future general activity index increased 11 points over the last month, from 26.6 to 37.4. The future indexes for new orders and shipments increased seven points and six points,

respectively. The future employment index also rose eight points.

A review of the survey's current price diffusion indexes shows increases for both prices paid and prices received. The prices received index, reflecting firms' own final goods prices, increased from 4.3 to 17, which is the highest reading since May 2011. The

prices paid index was also higher, increasing from 11.3 to 23.

When surveyed about labor positions and skills, one-third of firms reported labor shortages. The same amount of firms also reported they had positions that have remained vacant for more than 90 days.

#### Total Non-Farm Employment (latest data available)

|                           | April 2014 | March 2014 | % Chg. | April 2013 |
|---------------------------|------------|------------|--------|------------|
| <b>City Total</b>         | 675,800    | 671,800    | 0.6%   | 671,400    |
| Construction              | 10,400     | 9,900      | 5.1%   | 10,700     |
| Manufacturing             | 21,500     | 21,500     | 0.0%   | 21,600     |
| Trade, Trans. & Utilities | 90,900     | 90,400     | 0.6%   | 88,400     |
| Information               | 11,400     | 11,400     | 0.0%   | 11,700     |
| Financial Activities      | 41,700     | 41,800     | -0.2%  | 40,900     |
| Prof. & Business Svcs.    | 86,200     | 86,100     | 0.1%   | 86,100     |
| Educ. & Health Svcs.      | 217,200    | 214,800    | 1.1%   | 213,000    |
| Leisure & Hospitality     | 65,600     | 64,700     | 1.4%   | 65,900     |
| Other Services            | 27,600     | 27,400     | 0.7%   | 27,300     |
| Government                | 103,300    | 103,800    | -0.5%  | 105,800    |
| <b>MSA (PA) Total</b>     | 1,912,400  | 1,891,600  | 1.1%   | 1,903,600  |
| Construction              | 67,200     | 65,900     | 2.0%   | 65,500     |
| Manufacturing             | 124,600    | 125,200    | -0.5%  | 125,800    |
| Trade, Trans. & Utilities | 332,400    | 331,200    | 0.4%   | 330,200    |
| Information               | 36,000     | 36,000     | 0.0%   | 37,000     |
| Financial Activities      | 130,800    | 131,000    | -0.2%  | 132,200    |
| Prof. & Business Svcs.    | 311,110    | 302,500    | 2.8%   | 308,000    |
| Educ. & Health Svcs.      | 442,700    | 437,700    | 1.1%   | 435,900    |
| Leisure & Hospitality     | 170,300    | 164,000    | 3.8%   | 166,400    |
| Other Services            | 83,500     | 83,200     | 0.4%   | 84,400     |
| Government                | 213,800    | 214,900    | -0.5%  | 218,200    |

#### City of Philadelphia Demographics

| Population | Male     | Female  | White        | Afric. Amer.  | Asian | Other | Hispanic |
|------------|----------|---------|--------------|---|-------|-------|----------|
| 1,526,006  | 47.20%   | 52.80%  | 41.04%       | 43.40%  | 6.32% | 9.73% | 12.30%   |
| Pov. Rate  | Under 18 | Over 65 | Md. Hse Inc. | Demographic data was compiled from the 2010 Census and the 2012 American Community Survey |       |       |          |
| 25.6%      | 39.3%    | 17.3%   | \$36,957     |   |       |       |          |





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2014



### UNEMPLOYMENT ACROSS THE U.S. TOP 10 LARGEST CITIES' LABOR MARKETS

With unemployment rates falling in 43 states in April, figures point toward widespread improvement in the job market across the United States. Of the 10 largest U.S. Cities by MSA listing, the ones with the lowest rates (non-seasonally adjusted) all are located in Texas - San Antonio, 4.4%; Houston, 4.6%; and Dallas 4.7%.

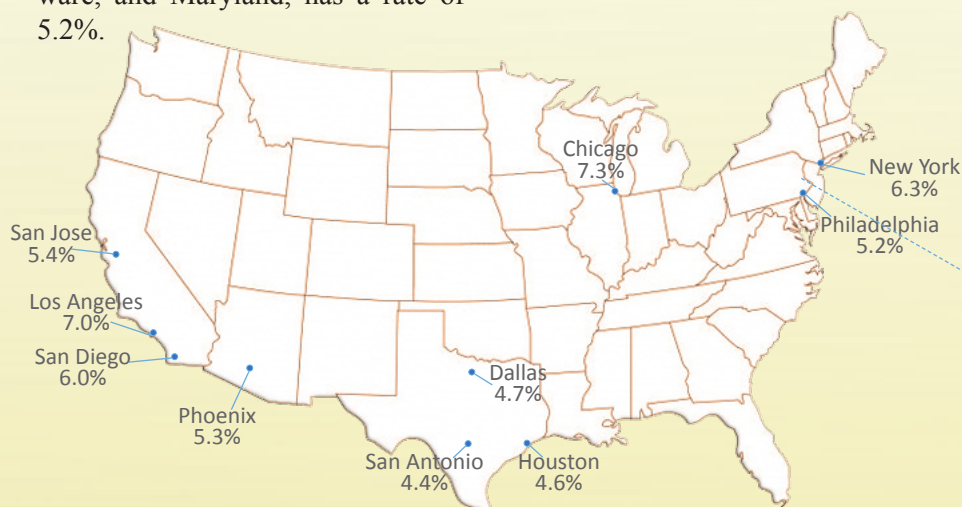
The Philadelphia MSA, excluding the portions of New Jersey, Delaware, and Maryland, has a rate of 5.2%.

When compared to other major labor market areas in Pennsylvania, Philadelphia MSA (with a labor force of almost two million) falls in the middle. Pittsburgh (1.2 million) and Harrisburg's (285,500) unemployment rates are both below 5%. The Reading MSA (200,300) is 5% and Erie (138,500) and Allentown (424,900) are at 5.4% and 5.5%, respectively.

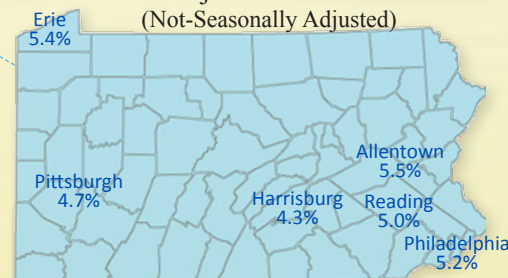
#### Unemployment Rates by MSA (Not-Seasonally Adjusted)

|    | MSA          | Unemployment Rate |
|----|--------------|-------------------|
| 1  | San Antonio  | 4.4%              |
| 2  | Houston      | 4.6%              |
| 3  | Dallas       | 4.7%              |
| 4  | Philadelphia | 5.2%              |
| 5  | Phoenix      | 5.3%              |
| 6  | San Jose     | 5.4%              |
| 7  | San Diego    | 6.0%              |
| 8  | New York     | 6.3%              |
| 9  | Los Angeles  | 7.0%              |
| 10 | Chicago      | 7.3%              |

Unemployment data was compiled from the latest Workforce Information release from the PA Department of Labor & Industry



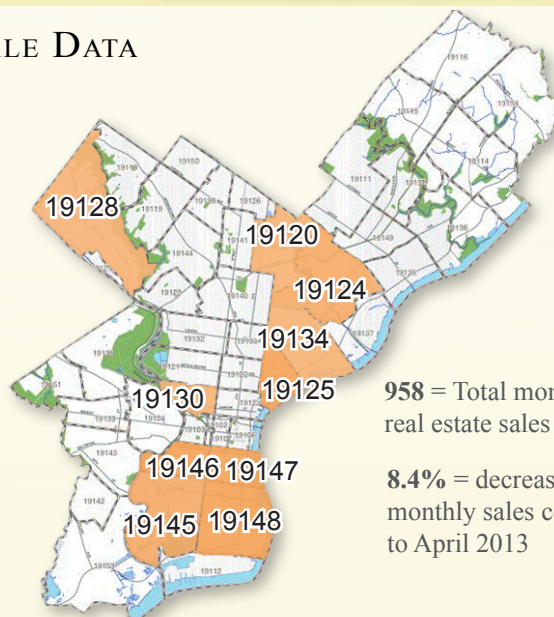
#### PA Major Labor Markets (Not-Seasonally Adjusted)



### MONTHLY HOME SALE DATA

#### April 2014 - Top 10 Sales by Zipcode

| ZIP Code | Sales | % of Sales from Bank Owned | % of Sales from Short Sales |
|----------|-------|----------------------------|-----------------------------|
| 19146    | 69    | 2.90%                      | 0.00%                       |
| 19147    | 60    | 5.00%                      | 1.70%                       |
| 19125    | 44    | 4.50%                      | 2.30%                       |
| 19148    | 43    | 7.00%                      | 0.00%                       |
| 19134    | 41    | 17.10%                     | 4.90%                       |
| 19145    | 41    | 4.90%                      | 0.00%                       |
| 19128    | 38    | 5.30%                      | 0.00%                       |
| 19130    | 38    | 10.50%                     | 0.00%                       |
| 19120    | 33    | 6.10%                      | 3.00%                       |
| 19124    | 32    | 31.30%                     | 0.00%                       |



958 = Total monthly real estate sales

8.4% = decrease in monthly sales compared to April 2013

Based on information from TREND for April 2014.